



U.S. Department of the Interior  
Office of Inspector General

# **AUDIT REPORT**

**FOLLOWUP OF TRAVEL BY  
PRINCIPAL OFFICIALS,  
U.S. DEPARTMENT OF THE INTERIOR**

**REPORT NO. 97-I-930  
JUNE 1997**



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

JUN 30 1997

## MEMORANDUM

TO: The Secretary

FROM: Wilma A. Lewis  
Inspector General

SUBJECT SUMMARY: Final Audit Report for Your Information - "Followup of Travel by Principal Officials, U.S. Department of the Interior"  
(No. 97-I-930)

Attached for your information is a copy of the subject final report. The objective of the audit was to determine whether the Department of the Interior had satisfactorily implemented the recommendations made in our 1993 audit report and whether any new recommendations were warranted.

Of the five recommendations made in our prior report, we found that three recommendations had been fully implemented and that two recommendations had been partially implemented. Despite these actions, principal officials continued to submit travel vouchers that contained errors and that were not in full compliance with the Federal Travel Regulation. Although the total monetary amount of these discrepancies was not significant (\$13,010, or about 2.7 percent of the \$477,244 tested), approximately one of every five vouchers we reviewed contained an error. We attributed this condition to a lack of training on the Federal Travel Regulation for principal officials and their staffs and to noncompliance with Departmental guidance for the submission of principal officials' travel vouchers to, and a central review by, the Division of Fiscal Services, within the Office of the Secretary. As a result travelers: (1) claimed the cost of air transportation for personal travel that was paid for by the Government (\$1,400) and used contract airfare rates or used the Government contract credit cards to pay for personal travel; (2) received per diem and/or reimbursement for rental cars while they were on leave or on personal time (\$956); (3) received payment for costs that they did not incur (\$1,151); (4) claimed, without approval or justification, actual costs for lodging and meals that exceeded per diem rates (\$4,344); (5) did not receive approval for non-Federal funding of travel costs (\$3,958); and (6) were not fully reimbursed for travel costs (\$1,201).

In its response, the Department agreed with all four of our recommendations to correct these conditions. Based on the response, we considered two recommendations resolved and **implemented and** requested additional information on the remaining two recommendations.

If you have any questions concerning this matter, please contact me at (202) 208-5745 or Mr. Robert J. Williams, Assistant Inspector General for Audits, at (202) 208-4252.

Attachment



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

JUN 30 1997

## AUDIT REPORT

### Memorandum

To: Assistant Secretary for Policy, Management and Budget

From: Robert J. Williams *Robert J. Williams*  
Assistant Inspector General for Audits

Subject: Audit Report on Followup of Travel by Principal Officials, U.S. Department of the Interior (No. 97-I-930)

## INTRODUCTION

This report presents the results of our followup review of issues presented in our February 1993 audit report "Travel Activity of Principal Officials, U.S. Department of the Interior" (No. 93-I-450). We conducted the audit in response to a May 20, 1996, request from the Assistant Secretary for Policy, Management and Budget. The objective of this review was to determine whether the Department had satisfactorily implemented the recommendations made in our 1993 audit report and whether any new recommendations were warranted.

## BACKGROUND

As of June 19, 1996, the Department's Office of Personnel had designated 107 individuals within the Department as principal officials. The Department's Office of Personnel defines principal officials as follows: (1) Presidential appointees "with the advice and consent of the Senate"; (2) non-career Senior Executive Service political appointees; (3) career members of the Senior Executive Service who are directors or deputy directors; and (4) Schedule C and Schedule A political appointees.<sup>1</sup> Principal officials, like all Federal employees, are subject to the restrictions and conditions contained in the Federal Travel Regulation, issued by the General Services Administration, when they travel on official Government business. Title 41, Chapter 301, of the Code of Federal Regulations requires Federal employees to travel in the "most effective and economical manner" when conducting official travel and only when necessary "to accomplish the purposes of the Government."

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<sup>1</sup>Schedule C political appointees are individuals appointed to positions of a confidential or policy-determining nature. Schedule A political appointees are individuals appointed to other positions.

## **PRIOR AUDIT RESULTS**

Our 1993 audit disclosed that principal officials made personal or other unofficial trips at Government expense by traveling circuitous routes which included visits to their home cities or other locations while on temporary duty. As a result, the Department incurred about \$61,000 of travel costs that may not have been job related. Additionally, principal officials inappropriately purchased tickets for unofficial travel at discounted Government rates, which resulted in about \$55,000 of subsidized airfares being provided by the Department to political organizations (\$40,000) and to individual employees (\$15,000).

We recommended that the Assistant Secretary for Policy, Management and Budget direct the bureaus' finance offices and the Departmental travel office to take the following actions: (1) withhold the final paychecks of all departing bureau heads and other officials identified in the report as being involved in questionable travel practices until appropriate reimbursable travel costs are determined and travel costs that are unrelated to official business are repaid; (2) review all travel vouchers submitted by principal officials for future travel and require that itineraries be prepared to show all details of political or personal travel; (3) issue guidance and perform followup reviews to ensure that officials who may engage in political activities are complying with regulations governing the allocation of costs incurred for dual-purpose travel; (4) require that subsidiary ledgers be maintained to account for all time and costs related to dual-purpose travel; and (5) issue guidance informing all principal officials of the travel regulations, including the requirement that travel vouchers must be signed by supervisory officials.

## **SCOPE OF AUDIT**

The scope of our followup review included an evaluation of actions taken to implement the five recommendations made in our prior audit report. In addition, we reviewed travel by principal officials who were employed by the Department as of June 1996. In that regard, we determined that 107 principal officials submitted travel vouchers for 1,564 trips between October 1, 1994, through April 30, 1996, incurring travel costs of approximately \$1.23 million. We reviewed travel by 67 of the 107 principal officials, who made 1,092 (69.8 percent) of the 1,564 trips and incurred travel costs of \$919,196.<sup>2</sup> Only one of the trips was reported as covering both partisan political travel and Government-related business travel (dual-purpose travel). The 67 officials consisted of 15 Presidential appointees, 19 non-career senior executives, 13 career senior executives, and 20 Schedule C appointees. We selected for detailed analysis 518 vouchers, totaling \$477,244, which represented 52 percent of the \$919,196 total travel costs of the 67 officials.<sup>3</sup>

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<sup>2</sup>We did not examine the Secretary's travel because this travel is being reviewed by the General Accounting Office.

<sup>3</sup>If an individual submitted 10 or fewer vouchers during the period, we reviewed all of the vouchers submitted. If the individual submitted more than 10 vouchers, we randomly selected 10 vouchers for review.

This review was made, as applicable, in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. We reviewed the Department of the Interior's Annual Statement and Report to the President and the Congress, required by the Federal Managers' Financial Integrity Act, for fiscal years 1994 and 1995 and determined that there were no reported weaknesses within the objective and scope of our audit.

We conducted our review from July through October 1996 at the finance offices of the Minerals Management Service in Herndon, Virginia; the U.S. Geological Survey and the National Park Service in Reston, Virginia; and the Office of the Secretary, in Washington, D.C. In addition, the U.S. Fish and Wildlife Service, the Bureau of Reclamation, the Office of Surface Mining Reclamation and Enforcement, the Bureau of Indian Affairs, the Bureau of Land Management, the former Bureau of Mines, and the former National Biological Service provided copies of the vouchers that we had selected within their respective bureaus for review.

## **RESULTS OF AUDIT**

Of the five recommendations made in our prior report, we found that three recommendations had been fully implemented and that two recommendations had been partially implemented. Despite the actions to implement the recommendations, we found that principal officials continued to submit travel vouchers which contained errors and which were not in full compliance with the Federal Travel Regulation. Although the total monetary amount of these discrepancies was not significant (\$13,010, or about 2.7 percent of the \$477,244 tested), approximately one of every five vouchers we reviewed contained an error. We attributed this condition to a lack of training on the Federal Travel Regulation for principal officials and their staffs and to noncompliance with Departmental guidance for the submission of principal officials' travel vouchers to, and a central review by, the Division of Fiscal Services, within the Office of the Secretary. As a result, travelers: (1) claimed the cost of air transportation for personal travel that was paid for by the Government (\$1,400) and used contract airfare rates or used the Government contract credit cards to pay for personal travel; (2) received per diem and/or reimbursement for rental cars while the travelers were on leave or on personal time (\$956); (3) received payment for costs that they did not incur (\$1,151); (4) claimed, without approval or justification, actual costs for lodging and meals that exceeded per diem rates (\$4,344); (5) did not receive approval for non-Federal funding of travel costs (\$3,958); and (6) were not fully reimbursed for travel costs (\$1,201).

Recommendation 1. Withhold the final paychecks of all departing bureau heads and other officials identified in this report as being involved in questionable travel practices until appropriate reimbursable travel costs are determined and repaid for travel costs that are unrelated to official business.

Our prior report found that the Department incurred about \$61,000 of travel costs by principal officials for travel that may not have been job related, which consisted of the following: (1) costs chiefly related to increased airfare because of indirect routing that enabled officials to visit their home cities or other sites where there was no indication that the purpose of visiting these destinations was related to Government business (\$21,000) and (2) costs associated with 57 trips in which the officials did not identify the purpose of and provide detailed information on the travel (\$39,800). In response to the draft of the prior report, the Assistant Secretary for Policy, Management and Budget stated that the appropriate bureaus would review all the questionable trips. In addition, the Assistant Secretary agreed to withhold paychecks in those instances where it was appropriate to do so in accordance with the United States Code (5 U.S.C. 5514 (a) (2)).

In the March 25, 1993, response to the final audit report, the Acting Assistant Secretary for Policy, Management and Budget responded that “ [r]eviews of all the trips cited in the audit report have been completed. ” Specifically, the response indicated that reviews of questionable trips related to their respective organizations were completed by the Bureau of Mines, the Bureau of Land Management, the Bureau of Reclamation, the Office of Surface Mining Reclamation and Enforcement, the Office of the Secretary, and the U.S. Fish and Wildlife Service. Based on the results of their reviews, the organizations concluded that except for four instances in which travel costs of \$1,882 were incurred, all of the trips cited as questionable by our audit were for official business and that the amounts paid to the travelers were appropriate. We could not determine the adequacy of the reviews by the bureaus and offices because supporting documentation was not provided. However, based on the actions outlined in the Acting Assistant Secretary’s response, we consider this recommendation implemented.

Recommendation 2. Perform reviews of all travel vouchers submitted by principal officials for future travel and require that itineraries be prepared to show all details of political or personal travel.

Our prior audit found that controls over official travel mixed with political and personal travel needed to be improved to ensure that the Government was charged only for the appropriate costs. The prior report noted that principal officials did not always travel in full accordance with the Federal Travel Regulation and dual-purpose travel regulations. We reported that principal officials authorized their own travel plans and lacked supervisory controls over changes to the plans. We also noted that subordinates responsible for processing travel vouchers may have been reluctant to challenge the travel costs claimed by senior-level officials.

In addition to the travel costs cited in our discussion of Recommendation 1, our prior report identified inappropriate cost savings to political organizations and individual employees because principal officials purchased airfare for unofficial travel at discounted Government rates. For example, of 31 trips that were reported as dual purpose, our prior audit found that the airline tickets were purchased at the Government discount rate. As a result, the sponsoring political organizations benefited by paying their proportional share based on the

lower cost Government airfares. The guidelines for dual-purpose travel require that the sponsoring organization pay for airfares in advance of the dual-purpose travel at the “standard commercial rates.” The guidelines also state, “[I]n no case should the government ever pay more for official travel than the official government rate.” As such, the sponsoring political activity or the employee should buy the dual-purpose travel ticket at the commercial rate, and the Government should be charged for its portion of the travel costs at Government discount rates. Our prior audit also found that the process of reimbursement for dual-purpose travel did not have a method that adequately accounted for sponsoring political organization repayments on a trip-by-trip basis (for example, subsidiary accounting), which precluded a determination as to whether the Government was fully reimbursed for dual-purpose travel at the Government rates.<sup>4</sup>

On April 2, 1993, the Assistant Secretary issued revised procedures for processing travel vouchers submitted by bureau directors and deputy directors. The directive required that these officials submit their travel vouchers to the Division of Fiscal Services for review and approval. (Principal officials within the Office of the Secretary were already submitting their vouchers to Fiscal Services.) However, our current audit found that the revised procedures were not being followed. Some principal officials within the Minerals Management Service, the Office of Surface Mining Reclamation and Enforcement, the Bureau of Reclamation, the Bureau of Land Management, and the U.S. Fish and Wildlife Service were still submitting their travel vouchers to the finance office within their respective bureaus. We also found that Fiscal Services was not performing any separate reviews of vouchers submitted by the principal officials. Therefore, although procedures had been developed, we consider the recommendation partially implemented because some principal officials were not complying with the procedures and because Fiscal Services was not performing reviews of all vouchers submitted by principal officials.

Recommendation 3. Issue guidance and perform followup reviews to ensure that officials who may engage in political activities are complying with regulations governing the allocation of costs incurred for dual-purpose travel.

Recommendation 4. Require that subsidiary ledgers be maintained to account for all time and costs related to dual-purpose travel.

Recommendation 5. Issue guidance informing all principal officials of the travel relations, including the requirement that travel vouchers must be signed by supervisory officials.

Regarding Recommendations 3, 4, and 5, the Acting Assistant Secretary stated, in the March 25, 1993 response, that a handbook had been developed for the use of noncareer employees (including principal officials) and that a chapter in the handbook “addresses personal travel, donated travel, and political travel.” Overall, the response indicated that the three recommendations would be implemented by issuing the handbook, including the

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<sup>4</sup>Politically related costs of trips were estimated, paid in advance by the sponsoring organization, and adjusted after the travel vouchers were prepared, and support for the adjustments was not adequately summarized.

provision that a copy would be provided “to each **noncareer** employee of the Department as well as to the principal secretarial/confidential assistant staff person of each **noncareer** official,” and through training. The response also stated that it was anticipated that the handbook “will be issued to **noncareer** employees by April 1, 1993,” and that “[a] series of training programs on ethics and conduct, including travel matters has begun.”

Our current audit found that a handbook for use by **noncareer** employees had been developed and distributed to appropriate officials in June 1993. The handbook cites the requirement that “precise records” should be kept of the amount of time spent on political and official activities while on dual-purpose travel. In addition, any vouchers that contain dual-purpose travel are required to be reviewed by the Deputy Associate Solicitor for General Law to ensure that the costs are allocated correctly. We found that the one dual-purpose trip included in the scope of our review was performed in accordance with the handbook. Based on the information contained in and the actions required by the handbook, we consider Recommendations 3 and 4 fully implemented.

Regarding Recommendation 5, the handbook for **noncareer** employees provides a general overview of political, donated, and personal travel, but it does not provide specific instructions on complying with the policies and procedures of the Federal Travel Regulation. We believe that training on the travel regulations is necessary to help ensure that principal officials comply with the regulations. In that regard, we found that the series of ethics and conduct training provided to principal officials covered primarily ethics issues, acceptance of travel funded by non-Federal sources, use of frequent flyer programs, and official travel mixed with political and personal travel. However, specific training on travel policies and procedures had not been provided. During our current audit, several principal officials told us that they were not aware of the requirements of the Federal Travel Regulation. Therefore, we consider Recommendation 5 partially implemented based on the Department’s issuance of the handbook and the related training provided.

We believe that the two main causes of the errors we found in travel vouchers during our current audit were the need for additional training on the Federal Travel Regulation and the need for a single entity to review the travel vouchers. Specifically, we found that principal officials: (1) took indirect routes that enabled them to visit home cities or other sites that may have been for personal convenience (9 instances); (2) improperly claimed per diem while on annual leave (11 instances); (3) were reimbursed for travel costs which were not incurred or which were paid by the Government (7 instances); (4) claimed actual costs for lodging and for meals and incidental expenses that exceeded prescribed per diem rates without obtaining prior approval or providing adequate justification (92 instances); (5) did not report that travel costs were paid by a non-Federal source (12 instances); and (6) were not fully reimbursed for travel costs (16 instances).

**Indirect Routing for Personal Travel.** The Code of Federal Regulations (41 CFR 301 -2.5(b)) states that an employee on official travel who travels by an indirect route for personal convenience or who interrupts travel by a direct route is required to pay the additional costs incurred. In addition, the traveler is not authorized to use contract airline

rates while on personal travel or the Government contract credit card to purchase tickets for air transportation for personal travel. However, we identified nine instances in which travelers were routed indirectly to their ultimate destination to accommodate personal travel but for which they: (1) did not reimburse the Government for the additional cost of \$ 1,400; (2) used contract airfare rates; or (3) used their contract credit cards to pay for their personal travel.

For example, one traveler stationed in Washington, D. C., who frequently visited in the Minneapolis/St. Paul, Minnesota, area, had personal travel mixed with official business for 8 of the 10 trips we reviewed. On one trip, the traveler had official business to conduct in Ledyard, Connecticut, on a Tuesday. On the Friday afternoon before the official travel, the traveler flew from Baltimore/Washington International Airport and spent the weekend in Minneapolis/St. Paul. On Monday, the traveler purchased a Government rate airline ticket on his Government contract credit card and flew from Minneapolis/St. Paul to Washington National Airport, claiming the cost on his voucher and stating that he was in Minneapolis “on personal leave - original personal return flight was canceled - was necessary to return to DC to make flight for official business - total ticket price incurred was no additional cost to the Government.” On Monday, the traveler also flew from Washington National Airport to Providence, Rhode Island, and drove to Ledyard.

When we requested justification for the Government’s paying the traveler’s return flight from Minneapolis/St. Paul, the traveler said that he was on personal leave when he was contacted regarding the need for official travel to Ledyard and that it was more cost effective to fly from Minneapolis/St. Paul to Washington, D. C., and on to Providence than to fly directly from Minneapolis/St. Paul to Providence. However, we found that the reservation for the traveler’s round-trip air transportation from Washington National Airport to Providence was made 2 weeks before the trip took place and that the ticket was issued through the Government’s travel contractor and billed to a Government account at a total cost of \$462. Therefore, the traveler was incorrect in stating that “total ticket price incurred was no additional cost to the Government” because the indirect travel increased the cost of transportation by \$356 (\$818 minus \$462). We also determined that the cost to fly from Minneapolis/St. Paul to Providence and then back to Baltimore/Washington International Airport would have been \$319. As such, the traveler could have saved the Government an additional \$143 (\$462 minus \$319) by flying directly to Providence instead of returning to Washington, D.C.

Another traveler flew on a Wednesday from Washington National Airport to Las Vegas, Nevada, and conducted official business in St. George, Utah, which concluded on Thursday. Instead of returning to Washington National Airport on Friday, the traveler flew to Little Rock, Arkansas, for a personal weekend and then returned to Washington National Airport on Sunday night. The traveler obtained the round-trip air transportation tickets, including the trip to Little Rock, at Government rates from the Government’s contracted travel agency at a total cost of \$486. On the voucher, the traveler stated, “Ticket home previously purchased by employee at no cost to gov[ernment].” However, the round-trip airfare from Washington National Airport to Las Vegas was \$298 at the Government rate. Therefore,

the Government incurred an additional \$188 because of the rerouted air transportation. When asked about this trip, the traveler said that the Government airfare from Las Vegas to Little Rock was equal to or less than a ticket from Las Vegas to Washington D. C.; however, the traveler's voucher and this statement did not make the relevant comparison between the actual costs and the reconstructed costs if the trip had not been rerouted.

**Leave During Official Travel.** We identified 49 instances in which travelers took leave or stayed over a weekend for personal preference while on temporary duty. In 10 of these instances, per diem that the traveler was entitled to could not be accurately computed because the traveler did not specify the exact hours of departure from and return to duty status. In 11 other instances, the travelers inappropriately claimed \$644 in per diem while on personal time. For example, one of the travelers was on official travel and claimed meals and incidental expense per diem for 4 ½ days. We determined that the traveler was on leave for 1 ½ days. Therefore, the traveler was entitled to only 2 ½ days per diem. (The traveler improperly claimed a full day's per diem on the first travel day, whereas the traveler was entitled to only a half day's per diem.) In addition, incorrect per diem amounts were used because the traveler did not cite the city where official business was conducted. In total, the traveler overclaimed \$88 for meals and incidental expenses. After our inquiry, the traveler reimbursed the Department for the overpayment.

Another traveler on two separate trips stayed over the weekends and claimed meals and incidental expenses of \$34 each day for Saturday and Sunday instead of returning to Washington, D. C., when official business ended on Friday. For these two trips, the traveler was overpaid a total of \$136.

We also identified four instances, with additional costs totaling \$312, in which travelers obtained rental cars while on official travel and used them during personal leave but did not properly allocate the cost of the rental cars for business versus personal use. For example, one traveler rented a car for 4 days and claimed the full cost of \$193 for official business. We determined that the traveler was on leave for 1 ½ of these 4 days. Thus, the traveler was overpaid \$58 for personal use of the rental car. After our inquiry, the traveler reimbursed the Department for the overpayment.

**Costs Not Incurred.** In seven instances, we found that travelers were reimbursed for travel costs which were not incurred or which had been paid by the Government. For example, one traveler claimed \$135 for airfare from the San Diego, California, airport to Washington National Airport and submitted a passenger receipt for the flight. We found that there was originally a round-trip ticket from Washington, D. C., to San Diego and return, which was issued by the Department's contracted travel agency and charged to the Department's corporate account. However, the traveler returned at a different time than was scheduled, exchanged the ticket issued by the contracted travel agency for another ticket, and paid the additional fare of \$11 on his Government-issued credit card. The traveler was reimbursed for the \$135. Therefore, the traveler was overpaid by \$124. The traveler said that this was a clerical error and refunded the overpayment.

On three other occasions, travelers claimed reimbursement for air transportation, even though the tickets for this transportation were issued by the Department's contracted travel agencies and charged to Government corporate accounts. Two travelers repaid the \$381 overpayment, and the other traveler said that she was "checking her records" before she would repay the \$406 overpayment.

In three related instances, three travelers stayed in a hotel in Prudhoe Bay, Alaska, where the lodging was charged to a U.S. Fish and Wildlife Service corporate account. However, all three travelers claimed reimbursement (\$75 each by two of the travelers and \$90 by the third) for the lodging on their vouchers. After our inquiry, all three travelers reimbursed the Department.

In some of these instances, the administrative assistants of the travelers prepared the vouchers based on records provided by the travelers, and the assistants said that they claimed the costs based on the assumption that the travelers had incurred all of the expenses. However, the travelers did not correct these inaccuracies when they signed their vouchers.

**Unapproved Actual Costs.** We noted 171 instances in which travelers claimed actual costs for lodging or meals and incidental expenses that exceeded prescribed per diem rates. However, in 92 instances, for a total of \$4,344, the travelers did not obtain prior justification and approval or they obtained after-the-fact approval without adequate justification. The Federal Travel Regulation (41 CFR 301-8) allows actual expenses to be reimbursed in special or unusual circumstances. However, employees are responsible for requesting approval for actual expense reimbursement and for providing appropriate justification to support their request. Normally, travel on an actual expense basis should be authorized in advance, and the maximum daily rate should be stated in the travel authorization. The Federal Travel Regulation allows for after-the-fact approval if the approval is adequately justified and the authorization states that actual expenses have been specifically approved for reimbursement. Further, the justification should be documented on or with the voucher.

According to the Federal Travel Regulation, actual reimbursement for meals and incidental expenses is limited to 150 percent of the prescribed meals and incidental expenses rate for that specific site, and total daily reimbursement for actual expenses is limited to 150 percent of the applicable maximum per diem rate for that specific site. However, we found one instance in which the claimed meals and incidental expenses exceeded the 150 percent limitation and seven instances in which the claimed total daily costs exceeded the 150 percent limitation. For example, one traveler went to Vail, Colorado, in February 1996, where the per diem was \$166 for lodging and \$38 for meals and incidental expenses. The maximum allowable reimbursement for meals and incidental expenses was \$57 per day (150 percent of \$38). The traveler claimed \$75 and \$85 for meals and incidental expenses for 2 separate days, which is a total of \$46 more than the maximum allowable reimbursement.

We also noted that the Department's bureaus and offices were not consistent in how they computed actual reimbursements for lodging and meals and incidental expenses.

Specifically, some bureaus and offices reimbursed travelers more than 150 percent of the lodging amount as long as the total amount claimed was less than 150 percent of the prescribed per diem rate, while other bureaus and offices limited reimbursement of actual lodging expenses to 150 percent of the prescribed lodging amount. For example, if the daily per diem rate listed in the Federal Travel Regulation for an area was \$130 (\$100 for lodging and \$30 for meals and incidental expenses), the maximum daily amount of reimbursement for the same area would be \$195 (150 percent times \$130). However, some bureaus and offices, based on their computations, would have reimbursed the traveler only \$180 as follows: a traveler claims \$195 per day based on \$165 for lodging and \$30 for meals and incidental expenses. However, the amount claimed for lodging would be reduced to \$150 based on application of the 150 percent to the \$100 prescribed lodging portion of the per diem rate, and the amount allowed would total \$180 (\$150 for lodging plus \$30 for meals and incidental expenses). Since the Federal Travel Regulation limits actual reimbursement for meals and incidental expenses and for total daily reimbursement of actual expenses to 150 percent of the prescribed rates, we believe that the Department should develop guidance consistent with the regulations in the calculation of reimbursements for actual subsistence expenses.

**Travel Paid by Non-Federal Source.** We identified 19 instances in which travel costs were paid by a non-Federal source. In 12 instances, the travelers did not comply with the Federal Travel Regulation (41 CFR 304-1) or the Departmental Manual (374 DM 5.7), both of which require prior written approval after a determination of potential conflict of interest and the preparation of Form DI-2000, "Report of Payments Accepted From Non-Federal Sources Under 31 U.S.C. Section 1353." In addition, the payments were not reported to the Department's Ethics Office. Therefore, the Department did not report eight instances involving payments of more than \$250 per event to the Office of Government Ethics.

**Unreimbursed Travel Costs.** We identified 16 instances in which travelers were not reimbursed the full amount they were entitled to receive (\$1,201). These underpayments occurred because of errors in the voucher preparation and review process. For example, one traveler purchased an airline ticket for an official trip on his Government charge card but did not claim the \$144 airfare on the travel voucher. We informed the travelers or their administrative assistants of these underpayments when we determined that additional reimbursement was due the travelers.

## **Recommendations**

We recommend that the Assistant Secretary for Policy, Management and Budget ensure that:

1. Training is provided on travel requirements to all principal officials and their secretarial/confidential assistants.
2. Periodic reviews are conducted of the travel activities of principal officials in order to ensure their compliance with travel regulations.

3. Guidance is issued to bureau finance offices on how actual reimbursements should be computed.

4. The amounts of money identified in this audit as having been claimed incorrectly and reimbursed to principal officials are recovered.

### **Department of the Interior Response and Office of Inspector General Reply**

The March 20, 1997, response (Appendix 2) from the Assistant Secretary for Policy, Management and Budget indicated concurrence with and described actions taken or planned to address the four recommendations. In addition, the response included the section “General Comments,” which took issue with how some of the information in the report was presented. Based on the response, additional information is needed for Recommendation 1, and Recommendations 2,3, and 4 are considered resolved and implemented (see Appendix 3).

#### **Recommendation 1. Concurrence indicated.**

The response stated that the Department has, since 1993, “made training on travel and travel-related issues available on at least 55 separate occasions” and that a list of the training was provided to the Office of Inspector General in December 1996. The response also stated that the Department had identified “four target audiences for training on travel-related requirements: (1) senior officials, (2) the individuals responsible for preparing senior officials’ travel documentation, (3) career employees who travel, and (4) the individuals responsible for preparing travel documents for career employees.” The response further stated that the “Departmental Learning Center will work with the Office of Financial Management and the Interior Service Center to meet the specific requirements of the targeted audiences through classroom, and then long distance, learning.”

Regarding the 55 training sessions conducted since 1993, we were told that these sessions were briefings on ethics and conduct. Specifically, the Deputy Agency Ethics Staff Officer, one of the two instructors, told us during our audit that the issues pertaining to travel included in his 13 sessions with principal officials only “related to acceptance of non-Federal funding and to mileage programs offered by the airlines and other commercial companies.” He also stated that “training on travel was discontinued during the streamlining efforts.” Also, the Ethics Staff Training Coordinator, who was the other instructor for the remaining 42 sessions, confirmed that the sessions were ethics briefings and were not overall training on travel policies and procedures.

Although we acknowledge the Department’s new efforts to provide travel-related training to the four target audiences, information as to when the training would be scheduled or completed was not provided. As such, we are requesting that the Department provide the additional information.

## **Recommendation 2.** Concurrence indicated.

The response stated that the April 2, 1993, policy directive that required bureau directors and deputy directors to submit their travel vouchers to the Division of Fiscal Services for review and approval “was extended to all senior officials within the Department (defined to include all political or non-career appointments to Executive Level and Senior Executive Service [SES] pay grades, including career appointments to the SES who are bureau directors and deputy directors)” on August 23, 1996. The response also stated, “We believe that the implementation of this policy directive will ensure that the travel activities of principal officials are reviewed on an ongoing basis. ”

Although the response indicated concurrence with the recommendation, it just expanded the scope of the previous policy directive. Our current audit determined that this policy was not being followed. Accordingly, we request that management indicate the nature of the procedures to ensure that periodic review of travel vouchers are conducted. As such, we are requesting that the Department provide the additional information.

## **Recommendations 3 and 4.** Concurrence indicated.

The response noted that guidance on how actual reimbursements should be computed was issued on February 3, 1997 (Recommendation 3), and that amounts incorrectly claimed and reimbursed to principal officials of \$3,789 had been collected (Recommendation 4). Based on these actions, we consider these two recommendations resolved and implemented.

## **General Comments on Audit Report**

The response also stated that our report contained “several narrative references which, while perhaps factually correct, are misleading and somewhat inflammatory.” By way of example, as to our statement that “approximately one of every five vouchers we reviewed contained an error,” the response noted that our report, “ [t]o be accurate . . . should provide a clarification to readers that most of the “errors” thus identified did **not** equate with a finding that the Department was owed funds as a result” but referred to “documentation deficiency in the travel voucher package (failure to obtain written authorization to incur actual expenses).” (Emphasis in original.) In addition, the response stated that “the **draft** identified \$13,010. . . of which only \$3,789 . . . was found to be owed the Department” and that “the remainder generally related to expenses which did not have adequate documentation, but which were not otherwise questioned by the IG [Inspector General]. ”

We have not clarified the report further because we believe that our report fairly and accurately presents the nature of all of the errors (qualitative and quantitative) we noted in our review. Regarding the approximate \$9,000 (\$13,010 less \$3,789) “not otherwise questioned by the IG,” the errors which occurred most frequently (92 instances for \$4,344) were that principal officials did not adequately justify and/or obtain timely approval for lodging and/or meals and incidental expenses that were in excess of prescribed per diem rates. These errors did not involve simply a “documentation deficiency,” as described in the

response, but noncompliance with the Federal Travel Regulation. We did not recommend that the Department collect the \$4,344 related to these 92 instances from the travelers because, when informed of the noncompliance, travelers sought to obtain after-the-fact approval. The balance of the audit exceptions pertained to travelers who did not comply with provisions of the Federal Travel Regulation, which required them to obtain approval for non-Federal funding of travel costs (\$3,958) and for underclaiming their travel costs. We did not recommend repayment in these two instances because the nature of the exception does not require repayment.

The response further stated: “[T]ruly significant progress has been made since the earlier audit (Report No. 93-1-450). . . . In particular the recommended adjustments of approximately \$3,800 in the current review compare favorably with the \$61,000 in required adjustments identified in the previous audit.” Also, the response stated: “[T]he adjustments required in the previous audit represented nine percent of the total value of the travel vouchers reviewed, while the adjustments in the current review were but **eight tenths of one percent** of the total value. By any objective measure, these results would suggest that real improvements in the Department’s travel process have occurred.” (Emphasis in original.)

We do not believe that the comparison in the response is valid because the amounts of \$61,000 and \$3,800 do not directly relate to the same conditions. For example:

- The \$61,000 cited in our prior report was related to travel costs that may not have been work related because the purposes and justifications for the trips and destinations were not adequately documented on the travel vouchers. However, after reviewing all of the cases related to the \$61,000 cited in our prior report, the Department concluded that only \$1,882, which was related to four instances of improper costs claimed, was determined to have been for unofficial and/or personal travel. Thus, this was the amount that the Department ultimately collected from the travelers.

- Of the actual \$3,789 collected from travelers as a result of this review, \$2,356 related to 20 instances of improper travel costs claimed for unofficial and/or personal travel and \$1,433 related to 10 instances of incorrectly claimed travel costs.

If we were to measure improvement based on comparative results, we believe that the \$1,882 (four instances) collected as a result of the prior audit (of \$664,000 worth of vouchers reviewed) should be compared with the \$2,356 (20 instances) collected as a result of this review for improper travel costs claimed for unofficial and/or personal travel (of \$477,244 worth of travel vouchers reviewed). In addition, we identified \$1,433 (10 instances) of incorrectly claimed travel costs during the current review. As such, this comparison would seem to indicate that there has not been any significant improvement in travel by principal officials since the previous audit. Nevertheless, our report clearly places the dollar amount in perspective by stating, in the Results of Audit section, that the monetary impact of the errors noted “was not significant.”

In accordance with the Departmental Manual, (360 DM 5.3), we are requesting your written response to this report by August 18, 1997. The response should provide the information requested in Appendix 3.

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, the monetary impact of audit findings, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

We appreciate the assistance of Departmental personnel in the conduct of our audit.

| Recommendations  | Status of Corrective Actions  |
|--|---|
| 4. Require that subsidiary ledgers be maintained to account for all time and costs related to dual-purpose travel.   | Implemented. The handbook, which has been issued, addresses political travel and requires that “precise records” be maintained of the time spent on political and official activities while employees are on dual-purpose travel. |
| 5. Issue guidance informing all principal officials of travel regulations, including the requirement that travel vouchers must be signed by supervisory officials. | Partially implemented. Guidance was provided; however, current noncareer employees and their staff assistants had not received sufficient training on travel requirements.  |



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

MAR 20 1997

## Memorandum

To: Wilma Lewis  
Inspector General

From: Bonnie R. Cohen,  
Assistant Secretary, Policy, Management and Budget

Subject: Response to Draft Audit Report on Travel of Principal Officials  
(Report No. E-IN-MOA-018-96)

I would like to take this opportunity to thank you for conducting the subject follow-up review of travel by principal officials, which I requested on May 20, 1996.

Judging by the results of the followup review, I am pleased to see that truly significant progress has been made since the earlier audit conducted at the end of the previous Administration. In particular, the recommended adjustments of approximately \$3,800 in the current review compare favorably with the \$61,000 in required adjustments identified in the previous audit. The \$3,800 which you identified as owed to the Department from 22 different individuals has been fully refunded.

Viewed from another perspective, the adjustments required in the previous audit represented nine percent of the total value of the travel vouchers reviewed. while the adjustments in the current review were but **eight tenths of one percent** of the total value. By any objective measure. these results would suggest that real improvements in the Department's travel process have occurred.

While progress has been made, I agree with your assessment that more needs to be done, particularly in the training of travel voucher preparers. As we know, the many complexities associated with travel by senior officials, coupled with the high levels of turnover. create a need for continual training in this area. We have already conducted 55 briefings on travel and related topics since 1993, and will brief new appointees, their administrative staffs. and other senior officials as the need arises in the future. The concise new travel handbook for political employees will be a real help in this area as well.

Our responses to the four recommendations contained in the draft report are attached.

Once again. I very much appreciate your help in reviewing this very important area. If you wish to discuss our response further. please call me.

Attachment

## I. General Comments

While the tone of the draft report is constructive overall, there are several narrative references which, while postfactually correct, are misleading and somewhat inflammatory. An example may be noted in the following extract from paragraph 1 on page 6:

“Although the total monetary amount of the discrepancies was not significant... *approximately one of every five vouchers we reviewed contained an error*”  
(Emphasis added).

To be accurate, the above narrative should provide a clarification to readers that most of the “errors” thus identified did not equate with a finding that the Department was owed funds as a result. In fact, 63% of the “errors” involved a documentation deficiency in the travel voucher package (failure to obtain written authorization to incur actual expenses), and another 11% involved an overpayment by the principal officials.

In our view, statements of the type cited above detract from the very real improvements in the travel process which have occurred since the last audit. In this regard, the 1993 audit involved an examination of 1,083 vouchers with a nominal value of \$664,000, and found that adjustments of \$61,000 (or 9%) were necessary. The current review examined 518 vouchers with a nominal value of \$477,244, and found that adjustments of \$3,789 (or .8 of 1 %) were required. By any objective standard, it would be necessary to state that very substantial progress has been noted.

Similarly, the draft identified \$13,010 (or 2.7% of the audit sample) as the value of **all travel voucher imperfections**, of which only \$3,789 (or .8 of 1 %) was found to be owed to the Department. The remainder generally related to expenses which did not have adequate documentation, but which were not otherwise questioned by the IG.

## II. Response to Draft Report Recommendations

### 1. Training is Provided on Travel Requirements to All Principal Officials and Their Secretarial/Confidential Assistants

Rules governing the requirements for travel of principal officials are quite complex, and frequently require knowledge and familiarity with one or more of the following:

- a. The Federal Travel Regulation (applies to all employees)
- b. Executive Office of the President Guidelines Relating to Mixed Travel (for political appointees)

c. Rules Governing Donated Travel (for all employees)

Because of these complexities, the Department has, since 1993, made training on travel and travel-related issues available on at least 55 separate occasions. These training sessions were aimed at the various components of the population of principal officers (i.e., political appointees, noncareer SES, and the respective administrative staffs who schedule travel and prepare travel vouchers). A more complete summary listing of the training sessions which included travel topics is provided in Attachment A. This list was also provided to the IG in December, 1996.

[NOTE:  
ATTACHMENT A  
NOT INCLUDED  
BY OFFICE OF  
INSPECTOR  
GENERAL.]

We have identified four target audiences for training on travel-related requirements: (1) senior officials, (2) the individuals responsible for preparing senior officials' travel documentation, (3) career employees who travel, and (4) the individuals responsible for preparing travel documents for career employees. The Departmental Learning Center will work with the Office of Financial Management and the Interior Service Center to meet the specific requirements of the targeted audiences through classroom, and then long distance, learning.

In addition to the formal training, a series of publications, aimed at communicating Departmental policies relating to various aspects of travel, were prepared and distributed. These included: a Handbook for Political Employees (distributed in June, 1993); Guide for Employee Temporary Duty Travel (February, 1993); Do's and Don'ts of Travel for Political Appointees (June, 1996); and Travel Primer for Political Employees (January, 1997).

To ensure that all DOI offices have access to the Department's policies and procedures governing travel, the Office of Financial Management created a home page in March, 1996, which contains all current Financial memoranda (including travel). Additionally, the home page is linked to the official domestic and international per diem tables which are maintained by GSA and the Department of State. Thus, all Departmental employees now have access to official per diem rates on a real time basis.

In short, the Department has undertaken an ambitious effort to ensure that principal officials receive the necessary training to comply with Departmental, and Federal requirements relating to travel, and have access to the necessary information. We expect to build on these programs in the future by providing additional training on travel voucher preparation through the Departmental Learning Center to meet the needs of both new and existing employees.

**2. Periodic Reviews Are Conducted of the Travel Activities of Principal Officials in Order to Ensure Their Compliance with Travel Regulations**

As noted in the draft report, the Assistant Secretary-Policy, Management and Budget, issued a policy directive on April 2, 1993, requiring bureau directors and deputy directors

to submit their travel vouchers to the Division of Fiscal Services for review and approval. On August 23, 1996, the requirement to have travel vouchers be independently reviewed by the Fiscal Office within the Interior Service Center. was extended to all senior officials within the Department (defined to include all political or non-career appointments to Executive Level and Senior Executive Service pay grades, including career appointments to the SES who are bureau directors and deputy directors).

We believe that the implementation of this policy directive will ensure that the travel activities of principal officials are reviewed on an ongoing basis by an independent source for compliance with applicable Departmental and Federal travel regulations. Thus we consider this recommendation implemented.

**3. Guidance is Issued to Bureau Finance Offices on How Actual Reimbursements Should be Computed.**

On December 27, 1996, the Federal Travel Regulation, [at 41 CFR 301-8.3(b)(2)] was changed. to specifically allow lodging expenses up to the amount of the daily maximum rate ( 150% of total per diem) minus the authorized M&IE allowance. This change was implemented as Departmental policy by Financial Administration Memorandum No. 97-004, (IIG. 1 ). dated February 3, 1997. Prior to this amendment the Federal Travel Regulation did not explicitly state that all amounts in excess of the M&IE allowance could be applied toward lodging, giving rise to the differing bureau interpretations cited in the draft audit report. Thus we consider this recommendation to be implemented.

**4. The Amounts of Money Identified in this Audit as Having Been Claimed Incorrectly and Reimbursed to Principal Officials are Recovered.**

Based on the listing of the 33 trips for which Departmental reimbursement was recommended by OIG, we have collected the total amount of \$3,789.36. Based on discussions with OIG, this represents the total amount which was to be recovered by the Department. Thus we also consider this recommendation to be implemented.

## STATUS OF AUDIT REPORT RECOMMENDATIONS

| Findings/<br>Recommendations<br>Reference | Status   | Action Required  |
|---|--|--|
| 1   | Management concurs;<br>additional information<br>needed. | Provide schedule of training classes<br>and target dates for implementing<br>the recommendation. |
|   | Management concurs;<br>additional information<br>needed. | Provide procedures to ensure that<br>periodic reviews of travel vouchers<br>are conducted.       |
| 3 and 4                                   | Implemented.   | No further action is required.   |

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